Income Tax paid by M/s Hindustan Lever, Bombay

2790. SHRI MOHAMMED AFZAL *alias* MEEM AFZAL: Will the Minister of FINANCE be pleased to state:

(a) what is the amount of income tax paid by M|s. Hindustan Lever, Bombay along with their sister concerns during the period 1988-89, 1989-90 and 1990-91; and

(b) what are the total assets of the company?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The amount of income tax paid by M|s. Hindustan Lever Ltd., Bombay for the assessment years 1989-90, 1990-91 and 1991-92 (relating to the immediately preceding financial years) are given below:—

Assessment year	Amount of tax (in Rs.)
1989-90 . .	32,43,00,130
1990-91 . .	44,57,94,892
1991-92 . .	53,99,17,979

Since the expression 'sister concern' is not a legally defined term in the Income tax Act, it is not possible to furnish information about tax paid by sister concerns.

(b) The total assets of M|s. Hindustan Lever Ltd. (including fixed assets as well as current assets) were as follows:—

	Assets (Rs. in crores)
As on 31-3-1989 .	356·72
As on 31-3-1990 .	414·44
As on 31-3-1991 .	434·04

Bank for International settlements observation on Liberalisation of Indian economy

2791. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it a fact that the Bank of International Settlements (BIS) has observed that there is stagnation despite reforms introduced by Government in liberalising the economy;

(b) whether it is also a fact that privatisation and liberalisation of economy have very little to reduce the weight on Public Sector in the country; and

(c) if so, what redical measures Government proposes to implement to achieve full benefits of the liberalisation?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) The Bank for International Settlement (BIS) in its 62nd annual report covering the period 1st April 1991 to 31st March, 1992 has observed that "in India, by contrast (with China) GDP growth fell to only 2 per cent, reflecting stagnation in the industrial sector..." and the Government of India introduced "two policy packages aimed at eopening up the economy to foreign competition and deregulating and privatising the domestic economy." The report does not say that the stagnation is despite the reforms.

(b) and (c) The above BIS report observes that "so far, however the reforms have done little to reduce the weight of the public sector." It is also observed elsewhere in the report that "India then announced a radical change in its development strategy, for saking its inward looking approach in favour of one based on gradual liberalisation and the reduction of the role of the state in commercial and industrial activity." The factual position is that the liberalised industrial policy and the structual adjustment proprammes of the Government clearly envisage a gradual reduction in the relative weight of the public sector in industrial development and an increasing role for the private sector in the economic growth of the country. Many of the areas earlier reserved for

the public sector have now been opened for private sector. Expansion of the public sector will hereafter be confined only to essential infrastructural sectors, social services and poverty alleviation programmes. The entire process of restructuring the economy will have to be in phases. Any radical measures such as selling out or dismantling of the public sector to bring down its share in the economy are neither feasible nor desirable.

Litigation cases by companies assessed for income tax

2792. SHRI SARADA MOHANTY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that big companies including state sector companies and banks resort to long drawn litigation when assessed for payment of crores of rupees to revenue department;

(b) if so, what is the total amount involved in legal dispute when assessed above Rs. 1 crore;

(c) what is the number of companies involved;

(d) what are the names of the companies who have gone in for litigation before CIT, High Courts and Supreme Court where payments as IT run beyond Rs. 10 crores; and

(e) what are the names of the companies which were found to be right in dispute and IT dues from them were cancelled by CIT (A), High Courts and Supreme Court during the year 1991-92?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI RAMESHWAR THAKUR): (a) Yes, Sir. A large number of companies have resorted to the appellate procedure prescribed in the Income-tax Act, 1961, in respect of disputed demands raised in their cases.

(b) and (c) The total amount payable and disputed by companies having outstanding demand above Rs. 1 crore as on 31-12-91 is Rs. 1810.80 crores. The number of such companies is 364.

(d) and (e) The names of companies who have gone in for further litigation and who have demand above Rs. 10 crores outstanding as on 31-12-91 is as per Statement enclosed. (*See* below) In the case of these companies, the IT dues were outstanding on 31-12-91 and the appeals filed by them were at various stages of appellate procedure.

Statement

Names of the Companies who have gone in litigation before CSII (A), High Courts and Supreme Court where payments as IT run beyond Rs. 10 crores.

S. No.	Name
1	2
1.	Andhra Valley P. S. Co. Ltd.
2.	Indian Express Newspapers (Bom.) Ltd.
3.	TELCO.
4.	Tata Power Supply Co.
5.	Hindustan Petroleum Corporation Ltd.
6.	TISCO.
7.	Indian Oil Corporation.
8.	National Organic & Chemical Industry Ltd.
9.	Micro S.P.A.
10.	ICICI Ltd.
11.	State Bank of India
12	Mikon Electronics Ltd.
13.	Castlerock Sea Food.
14.	Reliance Petro Chemical Ltd. Co.
15.	Pieco Electronics & Electricals Ltd.
16.	Brook Bond (I) Ltd.
17.	Pearless General Finance & Inv. Co. Ltd.
18.	ICI India Ltd.
19.	Bharat Heavy Electricals Ltd.
20.	Steel Authority of India Ltd.
21.	Modi Rubber Ltd.
22.	Modi Pon Ltd.
23.	Modi Industries Ltd.
24.	Escort Tractors Ltd.
25.	Escorts Ltd.
26.	A.P. State Civil Supplies Corporation.